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ARIZONA CORPORATION COMMISSION

September 27, 2012

2012 SEP 21 P 3:51

Arizona Corporation Commission

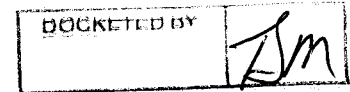
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SEP 27 2012

CERTIFIED MAIL

AZ CORP COMMISSION
DOCKET CONTROL

Ms. Karen A. Samuel
Bidegain Water Company
c/o Samuel Accounting Service
247 South Hill Street
Globe, AZ 85501



RE: APPLICATION BY DARRELL WALLACE DBA BIDEGAIN WATER COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE
(DOCKET NO. W-02026A-12-0378)

INSUFFICIENCY LETTER

Dear Ms. Samuel:

In a prior rate case proceeding (W-20026A-11-0470), a Procedural Order was issued May 25, 2012, directing Darrell Wallace dba Bidegain Water Company ("Company") to file an application for a Certificate of Convenience and Necessity ("CC&N") to provide water service prior to taking action in the referenced rate case. The original CC&N issued to the former owners of the Company, Mr. and Mrs. Bidegain had been revoked. Thus, on August 29, 2012, Darrell Wallace (the owner since 2003) filed a new application for a CC&N for Bidegain Water Company. This letter is to inform you that the application has not met the sufficiency requirements outlined in the Arizona Administrative Code (A.A.C.) R14-2-402 for a new CC&N. Therefore, you will need to submit the following information or documentation:

1. Provide a written legal description, using metes and bounds or cadastral, for the requested service area.
2. Provide a listing of all the utility assets and liabilities to be transferred to Darrell Wallace dba Bidegain Water Company.
3. The Company Plant Description is inaccurate and incomplete. Please state if there have been any change in plant facilities described on Page 4/Attachment A of the Staff Report for the rate application docketed on May 9, 2012 (Docket No. 11-0470).
4. Please complete the attached Water Use Data Sheet for the water system.
5. Provide the name and ADEQ certification number of the person who will be or is the certified operator of the water system.
6. Who will be providing wastewater service to the landowners in the service area?

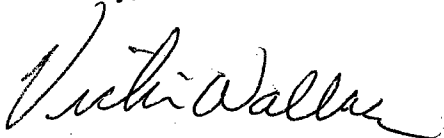
7. R14-2-402.B.4. requires the applicant to provide written notice within 10 days of filing the application for a new CC&N to the municipal manager or administrator of each municipality with corporate limits that overlap with or are within five miles of the proposed service area that includes certain information. Such notice was not filed with the application. Please provide a copy of the written notice and proof of mailing or explain why this provision is not applicable.
8. You must seek a transfer of the applicable County to City franchise issued to Mr. and Mrs. Bidegain to provide in all areas in which that service is provided. Please provide proof of the effort to comply with this requirement.
9. Have you registered any of the entities you own to do business in the state of Arizona with the Arizona Corporation Commission's Corporation Division and received a Certificate of Good Standing for such?
10. Are you current on all sales tax collections?
11. Do you own or operate any other companies that provide utility services to customers?
12. Please provide the organizational structure of any of the companies or entities that you currently own or operate?
13. Have you or anyone associated with the operation of any of the Company or your other companies and/or their respective affiliated/associated entities been accused of allegations of political corruption (including but not limited to campaign violations and election law violations); allegations of construction violations; allegations of misconduct; and filings at administrative hearings, at the local, state, or federal agencies, including at the Federal Elections Commission, Registrar of Contractors or any violations of law? If so, please provide a comprehensive list of all affiliated/associated individuals and entities including yourself that have been accused of such allegations; the litigation history; and the individual case disposition.
14. Has the Company or other companies in which are you involved been involved in any of the above-referenced activities?
15. Have any of the persons or entities listed in the above two questions been convicted or admitted to any of the allegations listed above?
16. Have you, or any of the companies or individuals involved in the provision of utility service ever filed for bankruptcy? If so, please provide the litigation history and the case disposition.
17. Please provide any and all mechanics, tax or other liens that have been assessed against you, or any of the affiliated/associated entities of Darrell Wallace or Bidegain Water Company.
18. Please again review the ACC Water Rules, R14-2-402, and provide any relevant information not previously provided that you feel would be beneficial in processing this application.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the A.A.C. R-14-2-610.C., upon meeting sufficiency requirements, the Commission has 150 days for its substantive review. This includes conducting a hearing and preparing an Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-610.C., Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0818 or e-mail me at vwallace@azcc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Vicki Wallace". The signature is fluid and cursive, with the first name "Vicki" and last name "Wallace" clearly distinguishable.

Vicki Wallace
Executive Consultant

Cc: Docket Control
Katrin Stukov
Barbara Wells/Lori Miller
Brendan Aladi
Brian E. Smith
Lyn Farmer

WATER USE DATA SHEET

NAME OF COMPANY _____→	
ADEQ Public Water System No. _____→	

MONTH/YEAR (Last 13 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED	GALLONS PURCHASED

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)

Other Water Sources in Gallons per Minute _____→	GPM
Fire Hydrants on System _____→	Yes No
Total Water Pumped Last 13 Months (Gallons in Thousands) _____→	